

10 CHANGE in Class. ☐

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GENERAL

ARMY, DOS, DIA reviews

1. Albania may cede territory to Markos regime--US Military Attache
Athens transmits two reports from Greek Communist sources that Albania as "a New Year's gift" will cede the province of northern Epirus to the Markos regime. Although the MA believes these reports may be merely propaganda designed to increase current Greek anxiety, he points out that the possibility of such a step deserves consideration because of the material advantages it would give the guerrilla cause.
2. Reported Yugoslav intentions toward Markos regime--US Ambassador
Cannon in Belgrade considers that "a key element" in the situation arising from the announcement of the Markos regime may be Yugoslavia's realization that it can ill afford to meet the US head on at any point where major US interests are involved. Cannon therefore believes the Yugoslav Government may be anticipating: (a) an early Markos victory "at whatever cost and however ephemeral" to give some basis to his pretensions; (b) recognition of the Markos regime by Albania; (c) a "half-way" stand by Yugoslavia, if the new regime shows promise of success; and (d) accreditation of Markos representatives, "perhaps at first in indeterminate status, to leave latitude for full recognition according to developments."

(The French Ambassador in Belgrade has told Cannon that Deputy Foreign Minister Bebler did not display to him any such confident attitude concerning Yugoslav recognition of the Markos regime as Bebler is said to have conveyed to the British Ambassador)

Bebler told the French Ambassador that the Yugoslav Government had two duties: (a) to sustain Markos morally; and (b) to do nothing to compromise the interests of peace. According to the French Ambassador, Bebler seemed worried by the US position.)

EUROPE

3. BUGLARIA: Forceful action to combat Communism advocated--US
Minister Heath recommends that the US take immediate effective action

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short of war to stop the spread of Communism in Bulgaria. Because the Bulgarian Government considers itself engaged in an undeclared war against the US, Heath recommends that the US: (a) protest every known or suspected violation of the Peace Treaty by the Bulgarian Government; and (b) be prepared to invoke Article 36 of the Treaty in the event of Bulgarian rejection. Heath believes that such a step, if given full publicity, would enable the US to take the "ideological offensive."

NEAR EAST-AFRICA

4. PALESTINE: Reasons for Sneh's resignation from JA executive--
According to US Consul General Macatee in Jerusalem, Jewish sources agree that the resignation of Moshe Sneh from the Jewish Agency executive resulted principally from dissatisfaction among conservative elements of the executive with Sneh's extremism [redacted]

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[redacted] Conservative leaders objected particularly: (a) to Sneh's close connections with various Communist groups in Eastern Europe and his demands for immediate large-scale immigration from Rumanian and Bulgarian seaports; (b) to Sneh's reported plan for merging Irgun Zvai Leumi (Jewish terrorist organization) with Hagana (military arm of the JA), while permitting Irgun cells to continue intact within Hagana; and (c) to Sneh's objection to the JA's policy of imposing restraint on Hagana.

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Macatee adds that, according to an unconfirmed report, Sneh ordered the PAN CRESCENT and PAN YORK to sail for Palestine, and then resigned. Meanwhile, a high official of the Palestinian Government has informed Macatee that Arab anger over the inclusion of several thousand Communists among the immigrants headed for Palestine has overshadowed the issue of illegal immigration.

5. INDIA: India threatens dispatch of troops to Pakistan--US Charge Donovan in New Delhi reports that the Indian note to the UN requesting SC consideration of the Kashmir dispute clearly states that India may have to send troops into Pakistan in order to quell the tribal raiders operating in Kashmir. Donovan adds that the diplomatic corps considers the situation serious. Meanwhile, US Charge Lewis in Karachi states that

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Pakistan's leaders, although irritated, appear less concerned than Indian leaders by the dispute and have stated that Pakistan would welcome a UN plebiscite in Kashmir. The US has addressed notes to both dominions urging that they refrain from provocative action pending SC action on the dispute.

FAR EAST

6. CHINA: Communists threaten Yangtze River shipping--US Ambassador Stuart reports an increase in the tempo and scale of Communist military operations in the central Yangtze valley. He believes that this development not only makes it increasingly difficult for the National Government to reinforce its armies in North China, but also threatens to interdict Yangtze shipping above Hankow, thus denying vital Szechwan rice stocks to Nationalist garrisons in central China.

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